

**SCOTTSDALE CITY COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, NOVEMBER 18, 2014**



**CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Special Meeting of the Scottsdale City Council at 5:12 P.M. on Tuesday, November 18, 2014 in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane
Vice Mayor Guy Phillips
Councilmembers Suzanne Klapp, Virginia L. Korte, Robert W. Littlefield,
Linda Milhaven (participated telephonically), and Dennis E. Robbins

Also Present: City Manager Fritz Behring (arrived at 5:48 p.m.)
City Attorney Bruce Washburn
City Treasurer Jeff Nichols
City Auditor Sharron Walker
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE – Brownie Troop 1402, Troop Leader Toby Fox and Mindy Corpstein

INVOCATION – Mayor Lane requested a moment of silence for the family of firefighter Bruce Pickett who recently passed away.

MAYOR'S REPORT

Mayor Lane announced that last week, during the Arizona Library Association Annual Conference, Scottsdale Public Library volunteer Paul Whitney was honored as Volunteer of the Year. Mayor Lane thanked Mr. Whitney for his volunteer service to Scottsdale and presented him with a certificate of appreciation.

Mayor Lane announced that the City will host the Small Business Saturday celebration on November 29 on the waterfront in downtown Scottsdale. Citizens were encouraged to join in the festivities and support small businesses. Mayor Lane read a proclamation proclaiming Saturday, November 29, as Small Business Saturday.

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

PRESENTATION/INFORMATION UPDATES

- **Charles Schwab Cup Championship Presentation**
Presenter(s): Diane Frisch, PGA Sales Manager

Charles Schwab Cup PGA Sales Manager Diane Frisch gave a presentation on the 2014 Charles Schwab Cup Championship, which started in Hawaii and ended in Scottsdale. She estimates that the economic impact to Scottsdale was over \$11.0M. Ms. Frisch said the tournament plans to return to Scottsdale again in 2015 and 2016.

PUBLIC COMMENT

- Mike Aloisi commented on public safety.
- Rosemary Preisel submitted a citizen's petition (attached) on parking in downtown Scottsdale.
- Kristen Packard, Don Edwards, and Alaina Beauloye commented on the lack of parking in downtown Scottsdale.

MINUTES

Request: Approve the Regular Meeting Minutes of October 21, 2014.

MOTION AND VOTE – MINUTES

Councilman Robbins made a motion to approve the Regular Meeting Minutes of October 21, 2014. Councilwoman Klapp seconded the motion, which carried 7/0.

CONSENT AGENDA

1. **Rock & Vine Bar and Grill Liquor License (103-LL-2014)**
Request: Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.
Location: 8900 E. Pinnacle Peak Road, Suite B-1
Staff Contact(s): Tim Curtis, Current Planning Director, 480-312-4210, tcurtis@scottsdaleaz.gov
2. **Cochise Estates Abandonment (5-AB-2014)**
Request: Adopt **Resolution No. 9924** approving the abandonment of the 33 feet of General Land Office easements along the perimeter of two 5± acre parcels located at the southeast corner of E. Shea Boulevard and N. 128th Street; and the abandonment of approximately 305 feet of the south 25 feet of E. Cochise Road right-of-way east of N. 128th Street.
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov
3. **Service Residential (S-R) Text Amendment (3-TA-2014)**
Request: Adopt **Ordinance No. 4176** approving a text amendment to the City of Scottsdale Zoning Ordinance No. 455, to amend Article V. District Regulations, and Article X. Landscaping Requirements, for the purpose of updating regulations related to allowable land uses and development standards for the Service Residential (S-R) zoning district.
Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

- 4. Income Property Management Expo WestWorld Event Agreement**
Request: Adopt **Resolution No. 9888** authorizing Contract No. 2014-148-COS with On the Edge Promotions, Inc., to produce the Income Property Management Expo event at the WestWorld facility.
Staff Contact(s): Paul Katsenes, 480-312-2890, Tourism and Events Director, pkatsenes@scottsdaleaz.gov
- 5. International Sportsmen's Expo WestWorld Event Agreement**
Request: Adopt **Resolution No. 9889** authorizing Contract No. 2014-149-COS with Angler's Exposition, Inc., to produce the International Sportsmen's Expo event at the WestWorld facility.
Staff Contact(s): Paul Katsenes, 480-312-2890, Tourism and Events Director, pkatsenes@scottsdaleaz.gov
- 6. Fiesta Bowl Museum Conditional Property Conveyance Agreement**
Request: Adopt **Resolution No. 9949** authorizing Contract No. 2006-140-COS-A1, the first amendment to the conditional property conveyance agreement with Fiesta Events, Inc., for conveyance of real property.
Location: 7135 E. Camelback Road, Unit D-105
Staff Contact(s): Paul Katsenes, 480-312-2890, Tourism and Events Director, pkatsenes@scottsdaleaz.gov
- 7. Brown Avenue Studio Revocable License Agreement**
Request: Adopt **Resolution No. 9953** authorizing Revocable License Agreement No. 2014-183-COS with Scottsdale Public Art, a division of the Scottsdale Cultural Council, Inc., for the use of a 1,388 square-foot studio space. **Location:** 3802 N. Brown Avenue; **Staff Contact(s):** Paul Katsenes, 480-312-2890, Tourism and Events Director, pkatsenes@scottsdaleaz.gov
- 8. Airport Operations Center Building Construction Bid Award**
Request: Adopt **Resolution No. 9918** to authorize:

 1. Construction Bid Award No. 14PB038 to Danson Construction, LLC, the lowest responsive bidder, in the amount of \$3,968,000, for the construction of the Airport Operations Center building.
 2. FY 2014/15 Airport-Future Grants Contingency Budget Appropriation transfer in the amount of \$1,900,000 to existing Aviation Capital Project No. A1201, Construct Airport Operations/Maintenance, to be funded by the Aviation Funds funding source.

Staff Contact(s): Gary Mascaro, Aviation Director, 480-312-7735, gmascaro@scottsdaleaz.gov
- 9. Fire Department Urban Area Security Initiative Grants**
Request: Adopt **Resolution No. 9955** to authorize:

 1. Terrorism Liaison Office Fire Grant No. 2014-189-COS with the Arizona Department of Homeland Security in the amount of \$26,500 for the purchase of vehicle communication equipment and expenses for personnel to attend training.
 2. CBRNE Fire Grant No. 2014-190-COS with the Arizona Department of Homeland Security in the amount of \$54,000 for the purchase of hazardous gas detection equipment and Advanced Hazardous Materials certification training.
 3. A budget transfer in the amount of \$80,500 from the adopted FY 2014/15 Future Grants Budget and/or Grant Contingency Budget and the creation of a new cost center to record the related grant activities.

Staff Contact(s): Tom Shannon, Fire Chief, 480-312-1821, tshannon@scottsdaleaz.gov

10. Family Self-Sufficiency Program Grant Agreement

Request: Adopt **Resolution No. 9956** to authorize:

1. Grant Agreement No. 2014-193-COS with the U.S. Department of Housing and Urban Development in the amount of \$68,107 for the Family Self-Sufficiency Program.
2. The City Manager or designee to execute any award documents, agreements, amendments, certifications, or other documents and take such actions as are necessary for the acceptance and administration of the grant.

Staff Contact(s): William Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

11. Community Development Block Grant Annual Action Plan Amendment

Request: Adopt **Resolution No. 9936** authorizing an amendment to the Community Development Block Grant (CDBG) Annual Action Plan for FY 2014/15 to reprogram and reallocate the use of \$200,000 in CDBG funds from an approved activity to other eligible activities and the submittal of the amendment to the U.S. Department of Housing and Urban Development.

Staff Contact(s): William Murphy, Community Services Director, 480-312-7954, bmurphy@scottsdaleaz.gov

12. Transportation Safety Zone Code Amendment

Requests:

1. Adopt **Ordinance No. 4177** adding Article XII, Sections 17-400 through 17-410 to Chapter 17, Motor Vehicles and Traffic, of the Scottsdale Revised Code for the regulation of Transportation Safety Zones.
2. Adopt **Resolution No. 9960** establishing a transportation safety zone.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov; Alan Rodbell, Chief of Police, 480-312-1900, arodbell@scottsdaleaz.gov

13. Project Administration and Reimbursement of Eligible Costs for Proposition 400 Funds Intergovernmental Agreements

Request: Adopt **Resolution No. 9932** authorizing the following intergovernmental agreements with the Maricopa Association of Governments for project administration and reimbursement of eligible costs for Proposition 400 funds incurred by the City for four roadway improvement projects:

1. Intergovernmental Agreement No. 2014-174-COS for the Pima Road: Via Linda to Via De Ventura Arterial Capacity Improvement Project.
2. Intergovernmental Agreement No. 2014-175-COS for the Raintree Drive/Redfield Drive: Scottsdale Road to Hayden Road Arterial Capacity Improvement Project.
3. Intergovernmental Agreement No. 2014-176-COS for the Raintree Drive Extension: 76th Place to Hayden Road Arterial Capacity Improvement Project.
4. Intergovernmental Agreement No. 2014-177-COS for the Southbound Loop 101 Frontage Road Connections Project.

Staff Contact(s): Paul Basha, Transportation Director, 480-312-7651, pbasha@scottsdaleaz.gov

- 14. Clark, et al., v. Spano, et al., Legal Services Contract**
Request: Adopt **Resolution No. 9963** authorizing Legal Services Contract No. 2014-012-COS-A2 with the law firm of Struck Wieneke & Love, in an amount not to exceed \$525,000, for the City's legal defense of *Clark, et al., v. Spano et al.*, Case No. CV2013-001476, currently pending in Maricopa County Superior Court.
Staff Contact(s): Bruce Washburn, City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov
- 15. Monthly Financial Report**
Request: Accept the FY 2014/15 Monthly Financial Report as of September 2014.
Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov
- 16. 2015 State Legislative Agenda**
Request: Consider the approval of the City of Scottsdale's 2015 State Legislative Agenda.
Staff Contact(s): Brad Lundahl, Government Relations Director, 480-312-2683, blundahl@scottsdaleaz.gov
- 16A. November 4, 2014 General Election Canvass**
Request: Adopt **Resolution No. 9972** as the official canvass of the City of Scottsdale November 4, 2014 General Election.
Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

Councilmember Korte made a motion to approve Consent Items 1 through 16A. Councilman Littlefield seconded the motion, which carried 7/0.

REGULAR AGENDA

- 17. Public Parking Structure and Restrooms Lease and Option Agreement**
Request: Adopt **Resolution No. 9941** authorizing Lease and Option Agreement No. 2014-179-COS with Equity Partners Group, LLC, for the construction and operation of a public parking structure and restrooms on City property.
Location: South of Stetson Drive, between Wells Fargo Avenue and Civic Center Plaza, and north and south of 6th Avenue, between Wells Fargo Avenue and Civic Center Plaza.
Presenter(s): Derek Earle, City Engineer
Staff Contact(s): Daniel Worth, Public Works Executive Director, 480-312-5555, dworth@scottsdaleaz.gov

Public Works Executive Director Dan Worth gave a PowerPoint presentation (attached) on the Public Parking Structure and Restrooms Lease and Option Agreement.

Mayor Lane opened public testimony.

- Tom Frenkel, Scottsdale business owner, spoke in opposition to the Public Parking Structure and Restrooms Lease and Option Agreement.

Mayor Lane closed public testimony.

Jason Morris, applicant representative, explained that his client owns property adjacent to the site. If the City wants to accommodate more parking in the area, his client is willing to work with the City, including the use of his own property, to be part of the solution for additional parking.

MOTION – ITEM 17

Councilman Robbins made a motion to deny Resolution No. 9941. Councilman Littlefield seconded the motion. No vote taken.

ALTERNATE MOTION AND VOTE – ITEM 17

Mayor Lane made an alternate motion to continue Item 17 for 60 to 90 days. Councilwoman Klapp seconded the motion, which carried 4/3, with Vice Mayor Phillips and Councilmen Littlefield and Robbins dissenting.

18. Indoor Vehicle Leasing, Sales, or Rental in I-1 Text Amendment (6-TA-2014)

Request: Adopt **Ordinance No. 4173** approving a text amendment to the City of Scottsdale Zoning Ordinance No. 455, to amend Table 5.1803 (Land Use Table) in the Industrial Park District (I-1) to allow indoor vehicle leasing, sales, or rental in conjunction with restoration services, without outdoor display; and finding that the proposed zoning text amendment is consistent and conforms with the adopted General Plan.

Presenter(s): Greg Bloemberg, Planner

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

MOTION AND VOTE – ITEM 18

Councilman Robbins made a motion to continue Item 18 to December 1, 2014. Councilman Littlefield seconded the motion, which carried 7/0.

19. Comprehensive Financial Policies and Governing Guidance

Request: Adopt **Resolution No. 9954** relating to Comprehensive Financial Policies and Governing Guidance as the formal guidelines for the City of Scottsdale's FY 2015/16 financial planning and management.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the proposed Comprehensive Financial Policies and Governing Guidance document.

MOTION AND VOTE – ITEM 19

Councilman Robbins made a motion to adopt Resolution No. 9954 relating to Comprehensive Financial Policies and Governing Guidance as the formal guidelines for the City of Scottsdale's FY 2015/16 financial planning and management. Councilmember Korte seconded the motion, which carried 7/0.

20. Monthly Financial Update

Request: Receive, discuss, and provide possible direction on the City Treasurer's monthly financial update as of October 2014.

Presenter(s): Jeff Nichols, City Treasurer

Staff Contact(s): Judy Doyle, Budget Director, 480-312-2603, jdoyle@scottsdaleaz.gov

City Treasurer Jeff Nichols gave a PowerPoint presentation (attached) on the City's financial status as of October 2014.

PUBLIC COMMENT – None

CITIZEN PETITIONS

21. Receipt of Citizen Petitions

Request: Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

Staff Contact(s): Carolyn Jagger, City Clerk, 480-312-2411, cjagger@scottsdaleaz.gov

MOTION AND VOTE – ITEM 21

Vice Mayor Phillips made a motion to direct the City Manager to investigate the petition submitted by Rosemary Preisel regarding parking in downtown Scottsdale and to prepare a written response to the Council, with a copy to the petitioner. Councilman Littlefield seconded the motion, which carried 7/0.

MAYOR AND COUNCIL ITEMS


MOTION AND VOTE – MAYOR AND COUNCIL ITEMS

Councilman Robbins made a motion to agendize a discussion regarding financial policies related to revitalization and any other special taxing districts, such as Community Facility Districts or Improvement Districts. Councilmember Korte seconded the motion, which carried 6/1, with Vice Mayor Phillips dissenting.

ADJOURNMENT

The Regular City Council Meeting adjourned at 7:04 P.M.

SUBMITTED BY:


Carolyn Jagger
City Clerk

Officially approved by the City Council on _____

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Special Meeting of the City Council of Scottsdale, Arizona held on the 18th day of November 2014.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 6th day of January 2015.

Carolyn Jagger, City Clerk

November 7, 2014

2014 NOV 18 PM 4: 43

To: Mayor Jim Lane & City Councilmen

From: Rosemary Preisel, Owner of Hair on 5th Ave., and the Merchants of the Kiva Center

I have owned a salon on Fifth Avenue for 28 years.

We have a very serious problem, as I'm sure you are aware.

There is no parking for our clients now that there are so many new employees at the Galleria. Just yesterday, there was an article in the paper about how Weebly, located in the Galleria, has now hired 200 more employees. The Galleria's employees are using the free parking garage located between 3rd Avenue and 5th Avenue, just off of Scottsdale Road, which is where our clients and customers have previously relied on for parking.

Our customers have been complaining about the fact that they have to drive in circles in order to just find a spot several blocks from their destination. This is just the beginning of the busiest part of the retail season when all of the snowbirds and holiday visitors BEGIN to come. What's going to happen when the season is in full swing, and no one can park to spend money in our shops? What's going to happen when we spend all this money upgrading downtown Scottsdale in preparation for the Super Bowl, but no one can find a place to park?

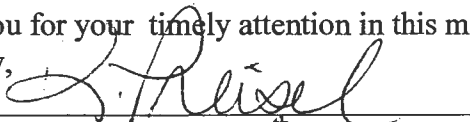
We need to find a solution—and quickly. The Merchants of 5th Avenue are very concerned about the potential loss of business because there is no access to actually get out of their vehicles. By 10 o'clock this morning, not only was the parking garage completely full, but the entire street was lined with cars, with no open spot in sight.

1. Limit the entire garage to 3 hour parking, and monitor them closely.
2. Provide parking stickers to Merchants and their employees to allow for parking in the garage.
3. The Galleria employees use alternate locations, possibly a shuttle service situation.

I have discussed these issues at great length with both Ben Moreatti, and Walt, that is why we are here asking for your assistance.

I would hate to have to consider leaving this location after 28 successful years in business, I love my location and bound by a lease, however these parking issues are impacting my day to day operation tremendously, we are asking; correct that, begging for you and all the council members to give this the attention it so rightly deserves.

Thank you for your timely attention in this matter. Please contact me to discuss this issue.
Sincerely,



Rosemary Preisel of Hair on 5th Ave, and the Merchants of The Kiva Center
Business 480-941-3022 Mobile 602-410-6244

DRAFT

NAMES AND ADDRESSES

TELEPHONE

29) Donna Frank	11-7-14	11:00
30) Evelyn Butcher	11-7-14	11:00
31) Kari Barry	11-7-14	11:10
32) Kristen Packard	11-7-14	11:10
33) Rosemary Rice	11-7-14	12:00
34) Haina Beaulieu - Entourage Salon	11-7-14	2:00 pm
35) Joley Fellsch	11-7-14	2:15 pm
36) Lynn Nelson	11-7-14	2:30 pm
37) Katherine Bellerose	11-7-14	2:30 pm
38) Brooke Gladner	11-7-14	2:32 pm
39) Michael Demarais	11-11-14	10 AM
40) Karen Wilson	11-11-14	11:30
41) Victoria Baldwin	11-11-14	12 PM
42) Tom M. Wind	11-11-14	1:30 PM
43) Christi	11-11-14	3:45 PM
44) Carlene Bryon	11-11-14	6:30 PM
45) Donald IV	11-12-14	11:00 AM
46) Tammie Felt	11-12-14	7:30 PM
47) Diane Arnett	11-13-14	12:00 PM
48) Karen Hotte	11-13-14	1:15 PM
49) Robyn Atchison	11-13-14	3:15 PM
50) Evelyn Butcher	11-14-14	10:00 AM
51) Maria Carlson - FNB	11-14-14	10:55 am
52) Dani Kamp - FNB	11-14-14	11 am
53) Qui Leeds Back to the Rack	11-14-14	11 AM
54) Gilbert Ortega Saver Trading Comp.	11-14-14	2:00 AM
55) LEANNE SIMONSON Perfectly Angelic	11/14/14	10:00
56) Kaye Arreola	11/18/14	12:00
57) Karen & Doug	11/18/14	2:30
58) [Signature]	11/18/14	3:30
59) Stigalyn Dutton	11/18/14	3:35
60) Sarah Allen	11/18/14	4:00

DRAFT

NAMES AND ADDRESSES

TELEPHONE

This is to confirm the very serious problem with parking on 5th Ave in the garage. With 3 hr parking would help more & it and enforce it. Thank you	
Day of the week - June	
① PHILLIP KENNEDY <i>Philip Kennedy</i> <i>Kennedy, Phillip@gmail.com</i>	Wed 11:00 11-5-14
② <i>Josh Burt</i>	11/5/14 11:40
③ <i>Britchen Legge</i> <i>Gretchen Legge</i>	11-5-14 11:40
④ <i>Robert Kennedy</i> <i>Robert Kennedy</i>	11-5-14 11:40
⑤ <i>Ractus Jack</i> <i>Clamp</i>	11-5-14 11:55
⑥ <i>Ractus Jack</i> <i>Christie</i>	11-5-14
⑦ <i>Robert Lewis</i> <i>ELW</i>	11-5-14 12:00
⑧ <i>Robert Lewis</i> <i>ELW</i>	11-5-14
⑨ <i>Robert Lewis</i> <i>ELW</i>	11-5-14 12:23
⑩ <i>Don Edwards</i> <i>Don Edwards</i> <i>ELW owner</i>	11-5-14 12:25
⑪ <i>Jill Edwards</i> <i>Jill Edwards</i> <i>store owner</i>	11-5-14
⑫ <i>Alexis Sebastian</i> <i>Celebrity Encore</i> <i>owner</i>	11-5-14
⑬ <i>Carol Brinkman</i> " "	11-5-14
⑭ <i>MICHELLE MOSE</i>	11-6-14 11:00
⑮ <i>Valeria Borgio</i>	11-6-14 12:00
⑯ <i>Stefan</i>	11-8-14
⑰ <i>Nancy Wain</i>	11-6-14 1:25 PM
⑱ <i>Paula</i> <i>Paula</i>	11-6-14 1:26 PM
⑲ <i>John Mark</i>	11-6-14 1:50 PM
20 <i>James Gosh</i>	11-6-14 2:25 PM
21 <i>Frances Burrill</i>	11-6-14 2:25 PM
22 <i>Cebi McClelland</i>	11-6-14 3pm
23 <i>John</i>	
24 <i>L. Bratna</i>	11-7-14 9:00
25 <i>Nancy Delee</i>	11-7-14 9 AM
26 <i>Cathleen Clark</i>	11-7-14 9:00
27 <i>Sue Henderson</i>	11-7-14 9:27
28 <i>May</i>	11-7-14 10:00

Item 17

Lease and Option Agreement

Stetson/6th Avenue Parking Lots



CITY OF STETSON

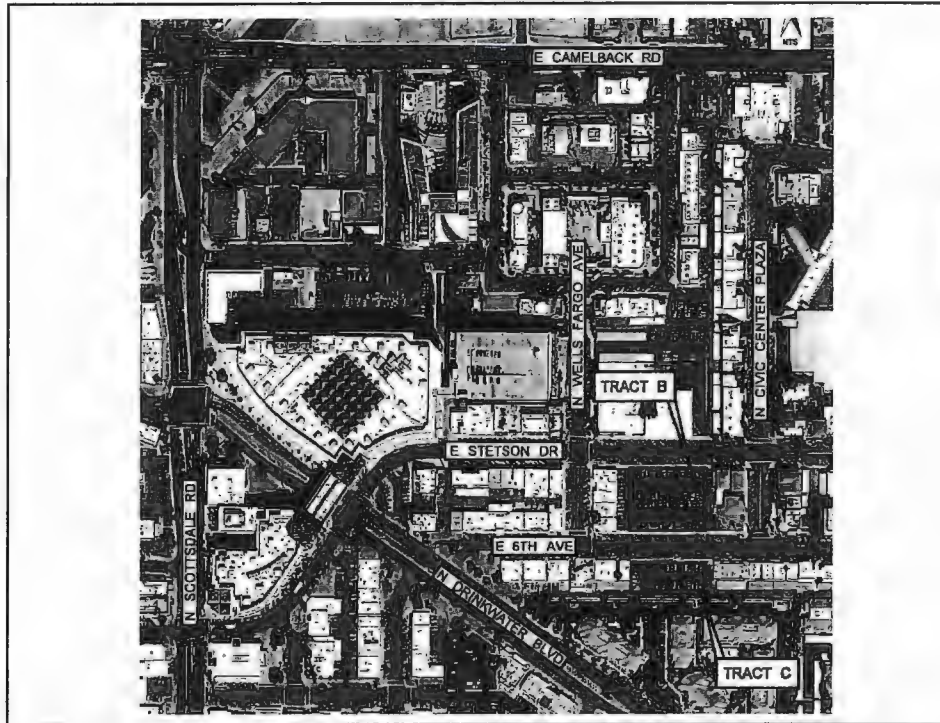
City Council

November 18, 2014

Purpose of Tonight's Request

Consider authorizing a Lease and Option agreement with Equity Partners Group, LLC for the construction of a public parking structure and public restroom facilities on two city parcels south of Stetson Drive in the northeast quadrant of downtown.





History

- Land originally deeded to city in 1959 (south parcel) and 1962 (north parcel)
- Zoned "Parking District 2, Downtown Overlay"
- RFP issued in October, 2012 for construction of parking structure and public restroom
 - No responses received
- Parking garage included in unsuccessful 2013 bond election (\$8.0M)
- New RFP reissued in 2014
 - 150 parking spaces minimum
 - Restroom optional
 - Minimum of \$100,000 option exercise amount



Response to 2014 RFP

- One response received from Equity Partners Group, LLC
- Respondent proposes:
 - 175 public parking spaces
 - Public restroom facility
 - Option exercise payment: \$100,000
- Respondent provided proper RFP deposit (\$100,000)
- Respondent provided proper affidavit
- Respondent provided signed *Lease and Option Agreement (LOA)*
- Additional development proposal material provided by respondent but is NOT considered part of response



Key Elements of LOA Agreement

- Key Performance Dates (keyed on approval date):
 - Term of agreement: 30 years
 - Commencement deadline: 18 months
 - Commencement of structure: 27 months
 - Open to public: 36 months
 - Final completion: 48 months (12 month extension possible)
- Security Deposit: \$100,000
- Construction security (LOC): \$250,000
- Rent Payments:
 - \$2,100/month for initial 48 months
 - \$6,300/month after completion deadline (escalated at 10% annually thereafter)
- Option Exercise Payment: \$100,000



Other Business Points

- Lessee takes full risk of zoning and other entitlements
- Lessee maintains the existing parking lots until construction commences
- City retains a permanent easement for parking spaces
- City may regulate the parking spaces (e.g. time restrict)
- Lessee shall actively discourage tenant parking in public spaces with signs, fines or other methods
- All operation and maintenance of the facility (both public and private portions) is the responsibility of the lessee – city has not agreed to provide any operating costs



Requested Action

Adopt Resolution 9941 authorizing the execution of Lease and Option Agreement 2014-179-COS with Equity Partners Group, LLC, an Arizona limited liability company, on city property located south of Stetson Drive between Wells Fargo Avenue and Civic Center Plaza in the northeast quadrant of downtown Scottsdale.



Questions/Discussion



Item 19

**Comprehensive Financial
Policies**

City Council
November 18, 2014
Prepared by: City Treasurer

Financial Policies

Background

- First adopted in FY 1994/95
- Promote sound financial planning and management of public funds
- Assist in making fiscal strategy and policy decisions
- Contribute to AAA bond rating

Financial Policies

1. Operating Management
2. Capital Management
3. Debt Management
4. Reserve Management
5. Financial Reporting

3

Financial Policies Notable Changes

Operating Management Policy #1:

"All divisions will participate in the responsibility of meeting policy goals and ensuring long-term financial health of the city. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements. In order to ensure compliance with policy, sunset provisions will be required on all grant program initiatives and incorporated into other service plans, as appropriate."

Rationale:

Modify policy to clarify 'ensuring long-term financial health' is referring to that of the city.

4

Financial Policies Notable Changes

Operating Management Policy #11:

"Developing impact fees, as permitted by state law, for capital expenses attributable to new development will be reviewed ~~annually~~ periodically with an engineering assessment to ensure that fees recover all direct development-related expenses and be approved by City Council. Any unfavorable balances in cost recovery will be highlighted in budget documents."

Rationale:

Modify policy on development impact fees to review on a periodic basis with an engineering assessment.

5

Financial Policies Notable Changes

Operating Management Policy #16:

"Uncollectible accounts, excluding City Court, will be no more than 0.5 of one percent (1%) of revenue on an annual basis unless otherwise approved by City Council."

Rationale:

Clarify that the existing practice for uncollectible accounts excludes the City Court.

6

Financial Policies Notable Changes

Operating Management Policy #17:

"Any year-end General Fund operating surpluses not needed to restore contingency reserves or cover unforeseen shortfalls in the budget, but in no case less than twenty-five percent (25%) of construction privilege tax revenues plus one hundred percent (100%) of net interest income in excess of \$1.0 million, will be transferred to the General Fund Capital Improvement Program in the following fiscal year unless otherwise directed by City Council."

Rationale:

Modify General Fund operating surpluses policy to also transfer 100% of net interest income in excess of \$1.0 million to the General Fund Capital Improvement Program.

7

Financial Policies Notable Changes

Operating Management Policy #22:

"Any year-end Transportation Fund operating surpluses not needed to restore contingency reserves or cover unforeseen shortfalls in the budget will be transferred to the Transportation Fund Capital Improvement Program in the following fiscal year unless otherwise directed by City Council."

Rationale:

Add a policy for year-end Transportation Fund operating surpluses that is consistent with the General Fund operating surpluses policy.

8

Financial Policies Notable Changes

Reserve Management Policy #36:

"The following stabilization reserves will be maintained for unforeseen emergencies or catastrophic impacts to the City:

- a. *General Fund Stabilization Reserve of 10 percent of annual General Fund Stabilization;*
- b. *Transportation Fund Stabilization Reserve of 10 percent of annual Transportation Fund operating expenditures;*
- c. *An Excise Tax Stabilization Reserve will be funded at no less than \$5.0 million to be temporarily used for unforeseen emergencies or catastrophic impacts to the city.*

Rationale:

Modify stabilization reserve policy to add an excise tax stabilization reserve.

9

Financial Policies Notable Changes

Reserve Management Policy #37:

~~*"A privilege tax debt reserve will be funded at no less than the annual debt service for all currently outstanding one percent (1%) privilege tax supported debt to be temporarily used for unforeseen emergencies or catastrophic impacts to the city."*~~

Rationale:

Remove privilege tax debt reserve policy as an excise tax stabilization reserve was added (noted on previous slide) in an effort to comply with Internal Revenue Service (IRS) rules for tax exempt bonds.

10

Financial Policies Notable Changes

Reserve Management Policy #41:

"Self-Insurance Reserves will be maintained at a level, ~~which, together with purchased insurance policies, that~~ will adequately indemnify fund the City's financial obligations for the payment of property, worker's compensation, liability, and health benefit losses ~~exposures~~. An independent qualified actuarial firm shall be retained on an annual basis to project and develop losses in order to recommend develop appropriate reserve levels, ~~which will be considered when establishing such reserve~~. The Loss Trust Fund Board's target is to maintain a Risk Management reserve fund balance equivalent to the actuaries 85 percent confidence interval of projected total outstanding claims liability."

11

Financial Policies Notable Changes

Rationale:

Modify self-insurance reserve policy to include the Loss Trust Fund Board's recommendation of maintaining a reserve fund balance equivalent to the actuaries 85 percent confidence interval of projected total outstanding claims liability in the Risk Management Fund and to clarify that the actuarial firm used is qualified.

12

Staff Recommendation

Adopt Resolution No. 9954, the Comprehensive Financial Policies and Governing Guidance which will serve as the formal guidelines for the City of Scottsdale's FY 2015/16 financial planning and management.

13

Item 20

Monthly Financial Update

As of October 31, 2014

City Council
 November 18, 2014
 Prepared by: City Treasurer

General Fund Operating Sources

October 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

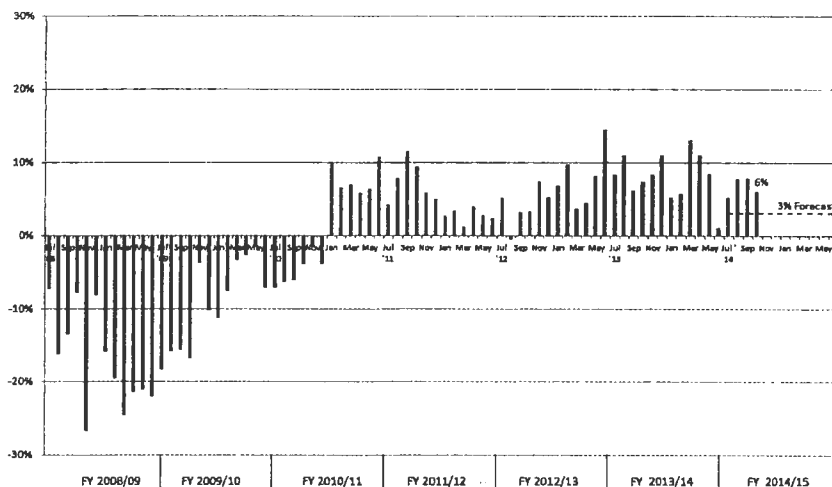
Sources Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$25.6	\$27.5	\$29.4	\$28.9	\$0.5	2%
0.1% Public Safety	2.5	2.7	2.9	2.8	0.1	2%
State Shared: Sales Tax	5.6	6.0	6.3	6.2	-	-
Income Tax	7.4	8.1	8.8	8.8	-	-
Auto Lieu Tax	2.4	2.3	2.4	2.5	(0.1)	(4%)
Property Taxes (Primary)	3.1	3.2	3.7	3.2	0.5	17%
Franchise Fees/In-Lieu Tax	5.4	5.5	5.3	5.5	(0.2)	(4%)
Other: Licenses, Permits & Fees	1.8	1.9	2.3	1.8	0.5	25%
Fines & Forfeitures	2.2	2.1	2.4	2.3	0.1	6%
Miscellaneous	2.0	2.1	2.8	1.6	1.2	71%
Building Permits	3.7	4.8	5.6	3.7	1.9	51%
Interest Earnings	0.4	0.6	0.2	0.2	-	-
Indirect Cost Allocations	2.4	2.2	2.1	2.1	-	-
Transfers In	3.9	2.7	4.2	3.9	0.2	6%
Total Operating Sources	\$68.5	\$71.7	\$78.4	\$73.7	\$4.7	6%

General Fund Operating Sources: Sales Tax October 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$4.2	\$4.5	\$4.6	\$4.7	-	-
Large retail stores	2.8	2.7	2.8	2.8	-	-
Misc goods & services	1.6	1.9	2.0	2.0	-	-
Grocery & convenience	1.8	1.9	2.0	1.9	-	-
Auto sales & maintenance	3.4	3.8	4.1	4.1	-	-
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	0.8	1.0	1.0	1.0	-	-
Restaurants & bars	2.2	2.3	2.5	2.4	0.1	4%
<u>Business:</u>						
Construction	2.8	3.3	4.1	3.7	0.4	12%
Rental	4.0	4.1	4.3	4.2	0.1	2%
Utilities	1.7	1.6	1.6	1.6	-	-
Licenses, penalties/interest	0.4	0.4	0.4	0.4	(0.1)	(13%)
Total 1.0% Sales Tax	\$25.6	\$27.5	\$29.4	\$28.9	\$0.5	2%

General Fund Sales Tax: 1.0% General Purpose – Year over Year Change



General Fund Operating Uses: by Category October 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Category	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$39.5	\$39.8	\$41.7	\$42.0	\$0.3	1%
Overtime	2.3	2.5	2.2	1.9	(0.4)	(19%)
FICA	2.7	2.7	2.8	2.8	-	-
Retirement	5.4	5.8	6.3	6.4	0.1	2%
Health/Dental & Misc	5.0	5.2	5.3	5.3	0.1	2%
<i>Total Personnel Services</i>	<i>\$54.9</i>	<i>\$56.1</i>	<i>\$58.3</i>	<i>\$58.5</i>	<i>\$0.1</i>	<i>0%</i>
Contractual, Commodities, Capital Outlay	18.5	20.2	22.3	22.2	(0.2)	(1%)
<i>Total Operating Expenses</i>	<i>\$73.4</i>	<i>\$76.3</i>	<i>\$80.7</i>	<i>\$80.6</i>	<i>\$ -</i>	<i>-</i>
Debt Serv. & Contracts	1.0	-	-	-	-	-
Transfers Out	3.0	-	-	-	-	-
<i>Total Operating Uses</i>	<i>\$77.4</i>	<i>\$76.3</i>	<i>\$80.7</i>	<i>\$80.6</i>	<i>\$ -</i>	<i>-</i>
*Pay Periods thru October:	9	9	9			

General Fund Operating Uses: by Division October 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

Division	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$5.9	\$6.1	\$6.4	\$6.7	\$0.2	3%
Administrative Services	5.3	5.4	5.6	5.9	0.3	5%
Comm. & Econ Development	8.1	8.5	8.8	8.8	-	-
Community Services	11.5	11.6	11.7	11.9	0.2	2%
Public Safety - Fire	10.0	10.5	11.3	11.1	(0.2)	(1%)
Public Safety - Police	27.5	28.7	30.9	30.7	(0.3)	(1%)
Public Works	5.0	5.5	5.9	5.6	(0.3)	(6%)
<i>Total Operating Expenses</i>	<i>\$73.4</i>	<i>\$76.3</i>	<i>\$80.7</i>	<i>\$80.6</i>	<i>\$ -</i>	<i>-</i>

General Fund Results: Summary October 2014: Fiscal Year to Date

(in millions: rounding differences may occur)

	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sources	\$68.5	\$71.7	\$78.4	\$73.7	\$4.7	6%
Uses	77.4	76.3	80.7	80.6	-	-
Change in Fund Balance	(\$9.0)	(\$4.6)	(\$2.3)	(\$6.9)	\$4.7	

General Fund Operating Sources October 2014

(in millions: rounding differences may occur)

Sources Category	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Sales Tax: 1.0% General Purpose	\$6.6	\$7.1	\$7.5	\$7.5	\$0.1	1%
0.1% Public Safety	0.6	0.7	0.7	0.7	-	-
State Shared: Sales Tax	1.4	1.5	1.6	1.5	-	-
Income Tax	1.9	2.0	2.2	2.2	-	-
Auto Lieu Tax	0.6	0.3	0.7	0.6	-	-
Property Taxes (Primary)	2.5	2.7	3.2	2.6	0.6	24%
Franchise Fees/In-Lieu Tax	3.4	3.5	3.5	3.5	-	-
Other: Licenses, Permits & Fees	0.4	0.5	0.7	0.4	0.3	61%
Fines & Forfeitures	0.5	0.5	0.7	0.6	-	-
Miscellaneous	0.4	0.4	0.6	0.5	0.1	29%
Building Permits	0.8	1.4	1.1	1.0	0.1	10%
Interest Earnings	0.1	0.1	0.1	0.0	0.1	nrm
Indirect Cost Allocations	0.6	0.5	0.5	0.5	-	-
Transfers In	1.8	0.6	0.6	0.6	-	-
Total Operating Sources	\$21.7	\$22.0	\$23.8	\$22.4	\$1.4	6%

General Fund Operating Sources: Sales Tax October 2014

(in millions: rounding differences may occur)

1.0% Sales Tax Category	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget	
					Fav/(Unf)	%
<u>Consumer Spending:</u>						
Small retail stores	\$1.1	\$1.3	\$1.3	\$1.3	(\$0.1)	(4%)
Large retail stores	0.7	0.7	0.7	0.7	-	-
Misc goods & services	0.5	0.5	0.4	0.5	(0.2)	(32%)
Grocery & convenience	0.4	0.5	0.5	0.5	-	-
Auto sales & maintenance	0.8	0.9	1.0	0.9	0.1	6%
<u>Tourism/Entertainment:</u>						
Hotel lodging & misc sales	0.3	0.3	0.3	0.3	-	-
Restaurants & bars	0.6	0.6	0.6	0.6	0.0	5%
<u>Business:</u>						
Construction	0.7	0.8	1.1	0.9	0.2	20%
Rental	1.0	1.1	1.1	1.1	-	-
Utilities	0.4	0.4	0.4	0.4	-	-
Licenses, penalties/interest	0.1	0.1	0.1	0.1	-	-
Total 1.0% Sales Tax	\$6.6	\$7.1	\$7.5	\$7.5	\$0.1	1%

General Fund Operating Uses: by Category October 2014

(in millions: rounding differences may occur)

Category	FY 12/13 Actual	FY 13/14 Actual	FY 14/15 Actual	FY 14/15 Budget	Actual vs. Budget	
					Fav/(Unf)	%
Personnel Services*:						
Salaries & Wages	\$8.6	\$8.8	\$9.1	\$9.2	\$ -	-
Overtime	0.5	0.5	0.5	0.4	(0.1)	(24%)
FICA	0.6	0.6	0.6	0.6	-	-
Retirement	1.2	1.3	1.4	1.4	-	-
Health/Dental & Misc	1.2	1.3	1.3	1.3	-	-
Total Personnel Services	\$12.1	\$12.6	\$12.9	\$13.0	\$ -	-
Contractual, Commodities, Capital Outlay	4.3	5.5	5.8	5.2	(0.6)	(12%)
Total Operating Expenses	\$16.4	\$18.1	\$18.7	\$18.1	(\$0.6)	(3%)
Debt Serv. & Contracts	0.2	-	-	-	-	-
Transfers Out	3.0	-	-	-	-	-
Total Operating Uses	\$19.7	\$18.1	\$18.7	\$18.1	(\$0.6)	(3%)

***Pay Periods in October:** 2 2 2

General Fund Operating Uses: by Division October 2014

(in millions: rounding differences may occur)

Division	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Mayor & Council, Charter Officers	\$1.2	\$1.3	\$1.5	\$1.6	\$0.1	7%
Administrative Services	0.7	1.1	1.0	1.1	0.1	10%
Comm. & Econ Development	1.9	1.9	1.9	1.8	(0.1)	(5%)
Community Services	2.8	3.0	2.6	2.7	-	-
Public Safety - Fire	2.4	2.3	2.7	2.5	(0.3)	(11%)
Public Safety - Police	6.1	6.7	7.4	7.0	(0.5)	(6%)
Public Works	1.2	1.8	1.5	1.5	-	-
<i>Total Operating Expenses</i>	<u>\$16.4</u>	<u>\$18.1</u>	<u>\$18.7</u>	<u>\$18.1</u>	<u>(\$0.6)</u>	<u>(3%)</u>

General Fund Results: Summary October 2014

(in millions: rounding differences may occur)

	FY 12/13	FY 13/14	FY 14/15	FY 14/15	Actual vs. Budget	
	Actual	Actual	Actual	Budget	Fav/(Unf)	%
Sources	\$21.7	\$22.0	\$23.8	\$22.4	\$1.4	6%
Uses	19.7	18.1	18.7	18.1	(0.6)	(3%)
Change in Fund Balance	<u>\$2.0</u>	<u>\$3.9</u>	<u>\$5.1</u>	<u>\$4.3</u>	<u>\$0.8</u>	